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STATE FOR NEA/ARP, EB/TPP/MTA/IPC, OES/PCI

E.O. 12958: N/A

TAGS: [BEXP](#) [ECON](#) [KIPR](#) [TSPL](#) [ETRD](#) [MU](#)  
SUBJECT: MICROSOFT, GOVERNMENT INK CONTRACT

REF: MUSCAT 1098

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SUMMARY  
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**¶11.** (U) The Omani government recently concluded a three-year, five million USD per year agreement with Microsoft for the use of the company's licensed products. The contract, which includes a commitment by Microsoft to invest two million USD per year in training programs for government employees and the general community, represents the Omani government's commitment to protecting intellectual property in advance of the FTA's implementation. End Summary.

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CONTRACT SIGNED  
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**¶12.** (SBU) On August 22, Econoff met with Microsoft country manager Sami al-Lawati to discuss his company's recent partnership agreement with the Omani government. Lawati noted that per the three-year contract, the Omani government will pay Microsoft five million USD per year for the use of 22,500 desktop software licenses, which will enable the government to upgrade its Windows platform and Microsoft Office applications. In turn, Microsoft will invest two million USD per year in training programs for government employees and the general community.

**¶13.** (SBU) The deal represents a second chance for Microsoft to establish a long-term relationship with the Omani government. Microsoft initially signed a contract with the Oman in June 2000, shortly before the Sultanate's accession to the WTO. The relationship did not develop, however, resulting in the government's continued use of Windows 98 instead of upgrading to Windows 2000. Lawati commented that Microsoft intends to avoid replicating previous mistakes by building a relationship that creates continued value for the government, as it has done in Egypt and Jordan.

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BUILDING IT CAPACITY  
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**¶14.** (SBU) As part of its plan to create value, Microsoft has committed to investing in Oman's IT capabilities. Lawati commented that this commitment is essential to efforts to raise technology usage in government operations, which currently is very low. Coupling with the government's E-Oman initiative, Lawati noted that Microsoft will reach out to the community by installing computer laboratories in 10 schools

for use in the evening hours. Lawati also said that Microsoft would focus on government personnel development through a support and innovation center. Under this proposal, Microsoft would provide intensive training to 20-30 recent university graduates, who would then form IT steering committees within their respective ministries. Finally, Lawati expressed Microsoft's interest in fostering IT communities in the universities and high schools through the promotion of IT clubs.

**¶15. (U)** Building on these proposals, Econoff inquired about Microsoft's interest in participating in a USG-sponsored collaborative effort that promotes e-mathematics and e-science curricula in the elementary schools (reftel). Lawati expressed interest in this concept, and took with him a description of the proposal for further consideration.

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PIRACY DOWN, PROMOTION UP  
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**¶16. (SBU)** Lawati noted that the Omani government's approval of the partnership agreement signified its commitment to protecting intellectual property. While recognizing that software piracy remains a concern in Oman, Lawati remarked that it's now generally more difficult to purchase pirated software in Oman. Microsoft intends to promote its new products more actively in Oman, starting with an advance event on September 4 for its new Vista operating system and Office 2007, which will be available in Oman by December **¶2006.**

GRAPPO